

PARLIAMENT  
OF KENYA  
LIBRARY

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 23 FEB 2022

DAY: Wed

OF  
TABLED  
BY:

The majority whip  
Hon. E. Wangwe, MP

CLERK-AT  
THE-TABLE:

Benson Inzoga

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND –  
LIKONI CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE, 2020**



---

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -LIKONI  
CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020**

---

Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
LIKONI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

---

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT .....	2
II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE .....	5
III. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES .....	11
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY .....	14
V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES.....	16
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE <i>NGCDF- LIKONI CONSTITUENCY</i> ....	17
VII. STATEMENT OF RECEIPTS AND PAYMENTS.....	18
VIII. STATEMENT OF ASSETS AND LIABILITIES .....	19
IX. STATEMENT OF CASHFLOW .....	20
X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	21
BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES .....	23
XI. SIGNIFICANT ACCOUNTING POLICIES.....	26
XII. NOTES TO THE FINANCIAL STATEMENTS .....	30
ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE .....	41
ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES.....	42
ANNEX 3 – UNUTILIZED FUND.....	43
ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER.....	44
ANNEX 5 –PMC BANK BALANCES AS AT 30 <sup>TH</sup> JUNE 2020 .....	45
PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS .....	47

**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

**Mandate**

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

**Vision**

Equitable Socio-economic development countrywide

**Mission**

To provide leadership and policy direction for effective and efficient management of the Fund

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
LIKONI CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

---

**Core Values**

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

**(b) Key Management**

The NGCDF LIKONI Constituency day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	<b>Bawazir Mohamed</b>
2.	Sub-County Accountant	<b>Joel Muriithi</b>
3.	Chairman NGCDFC	<b>Ali Salim Mwakunyapa</b>
4.	Member NGCDFC	<b>Shuhudia Abdalla</b>

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -LIKONI Constituency. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

**(e) NGCDF LIKONI Constituency Headquarters**

P.O. Box 96780-80100  
NGCDF Building  
Off Mombasa –Lunga Lunga Rd (Likoni Flats- opp Mt. Sinai Academy)  
Mombasa, KENYA

**(f) NGCDF LIKONI Constituency Contacts**

Telephone: (254) 722666095  
E-mail: [cdflikoni@ngcdf.go.ke](mailto:cdflikoni@ngcdf.go.ke)  
Website: [likoni.cdf.go.ke](http://likoni.cdf.go.ke)

**(g) NGCDF LIKONI Constituency Bankers**

Cooperative Bank of Kenya  
Likoni Branch  
A/C No: 01120043565700  
P.O. Box 90430-80100  
Mombasa

**(h) Independent Auditors**

Auditor General  
Office of the Auditor - General  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 00100  
Nairobi, Kenya

**(i) Principal Legal Adviser**

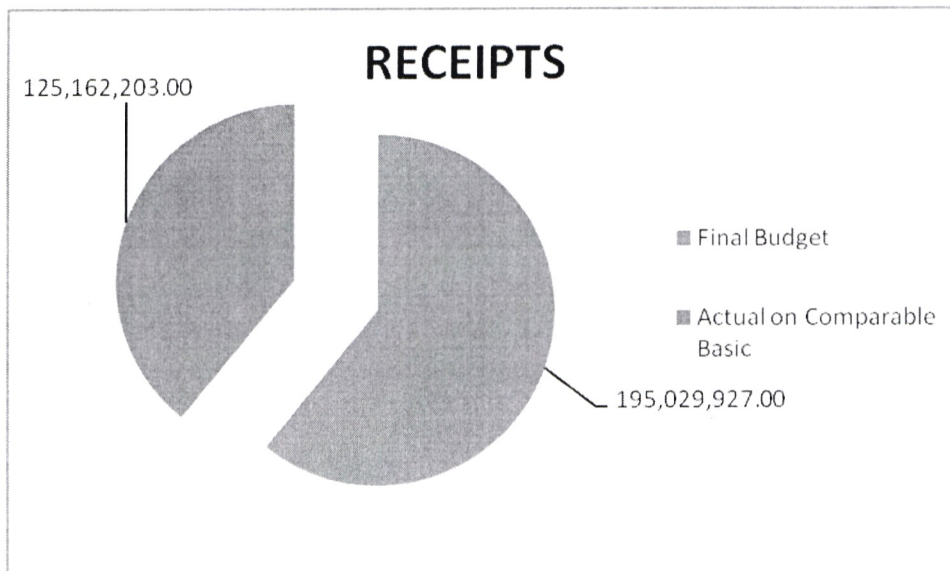
The Attorney - General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
LIKONI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

---

**II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

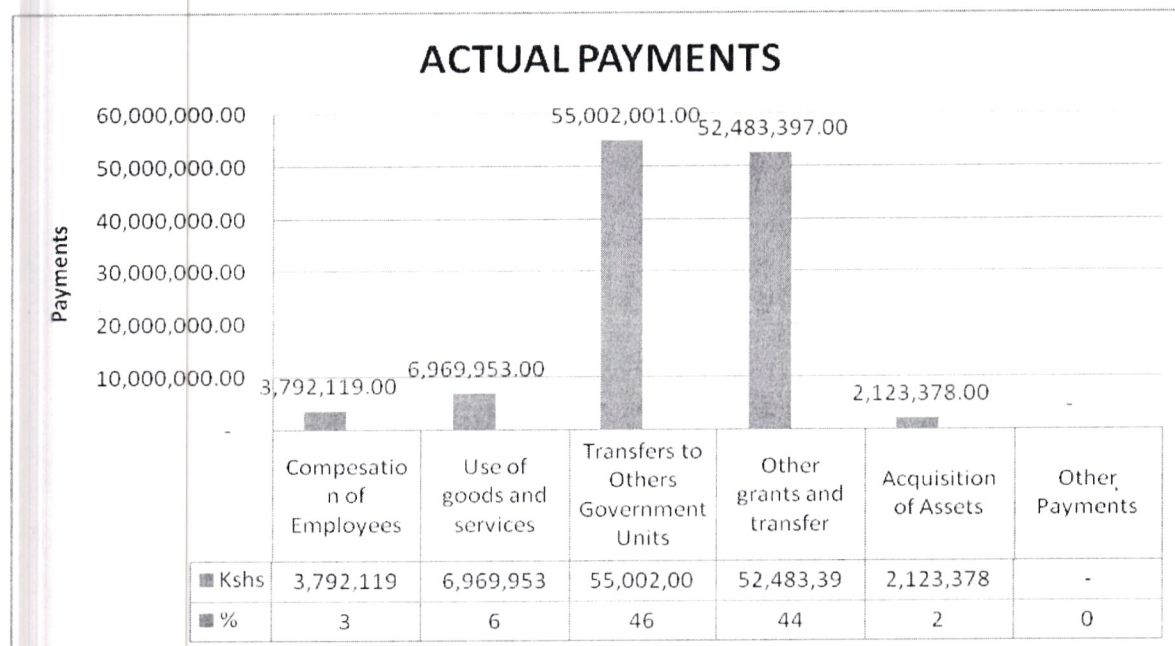
On behalf of the people of Likoni constituency and on my own behalf I take this opportunity to present the un audited financial report for Ng cdf Likoni for fy 2019-2020. Under my leadership, I would like to report that we are on the right track with regard to implementation of Ngcdf Likoni strategic plan for fy 2017-2022. Most of the key objective as envisaged in the strategic plan are being met despite resource constraints. With support of the committee and the area mp I am confident that by the end of 2022 most of the objectives would have been met and thus improve socio economic status of our constituents. The ngcdf Likoni had an approved final budget of ksh 195,029,927 in the Financial year 2019-2020 however the actual monies received in fy 2019-2020 was ksh 125,162,203, comprising of a cash book opening balance of ksh 54,981,385 as at 1<sup>st</sup> of July 2019 and Aies received during the financial year under review of ksh 70,180,818. It should escape our mind that this has been a very difficult year .The Covid 19 pandemic impacted negatively our country and the whole world at large. This led to delays or rather reallocation of scarce resources by the National Government. Most of the funds were channelled to the health sector in order to minimize the negative effects of this pandemic. This is clearly depicted in low budget utilization. The diagrams below show budgets, receipts and expenditure in FY 2019-2020



LIKONI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020



A detailed analysis of the strengths, weaknesses, opportunities as well as threats was undertaken and prioritized as outlined hereunder.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Committed leadership</li> <li>• PMC already in place and trained</li> <li>• Team work among committee members</li> <li>• Guaranteed source of funds</li> <li>• Receptive community</li> <li>• Existence of major roads linking to major</li> <li>• Diversity of membership</li> <li>• Willingness to learn</li> </ul>	<ul style="list-style-type: none"> <li>• Poor communications strategy</li> <li>• Inadequate ICT infrastructure</li> <li>• Inadequate capacity in planning, monitoring and evaluation</li> <li>• Low rates of education attainment</li> <li>• Lack of diverse economic opportunities</li> <li>• Inadequate funding</li> <li>• Poor road conditions</li> <li>• Inadequate communication strategies</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Secure environment</li> <li>• Existence of legal frameworks guiding national and devolved funds</li> <li>• Availability of Human Resource</li> <li>• Natural resources e.g. land, construction materials,</li> <li>• Existence of NGOs e.g. World Vision</li> <li>• Support from National Government and other stakeholders</li> <li>• Good road network</li> <li>• Arable land</li> <li>• Availability Electric power</li> </ul>	<ul style="list-style-type: none"> <li>• Ignorance/inadequate information on NG-CDF operations</li> <li>• Unhealthy politicization of NG-CDF activities</li> <li>• Lack of transparency</li> <li>• Poverty; leading to high rate of land selling</li> <li>• Environmental degradation</li> <li>• High school dropout rate still significantly high</li> <li>• High rate in drug and substance abuse – Khat</li> <li>• Betting</li> <li>• Prolonged drought</li> <li>• HIV/AIDS prevalence is relatively high</li> </ul>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**LIKONI CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

---

**KEY ACHIEVEMENTS**

During the FY 2019-2020, we managed to implement some of the following project listed below:

- 1) MTONGWE GIRLS SECONDARY SCHOOL DINING HALL



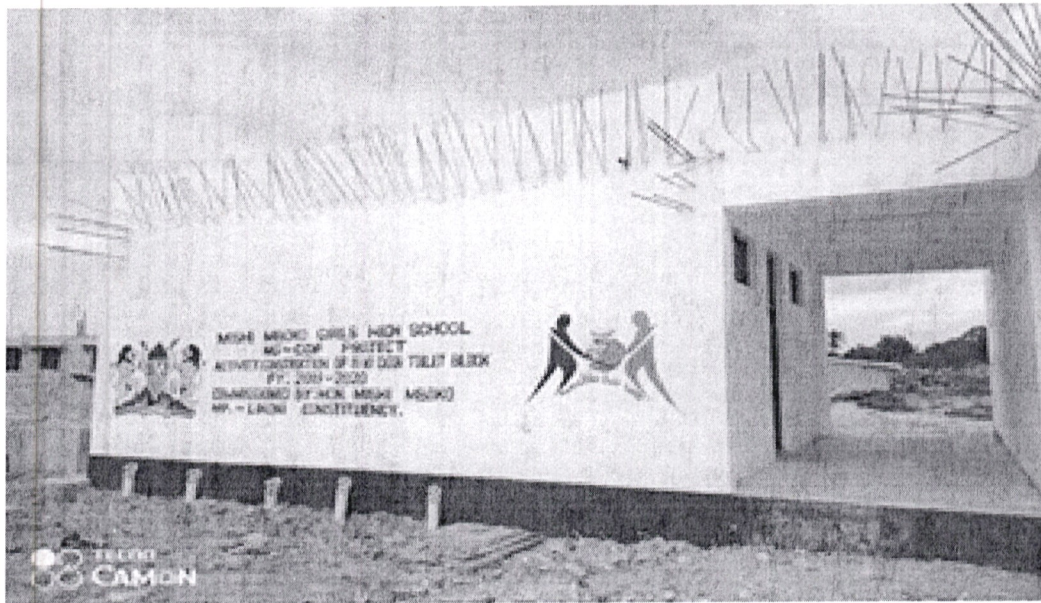
- 2) MISHI MBOKO GIRLS SECONDARY SCHOOL. ADMINISTRATION BLOCK



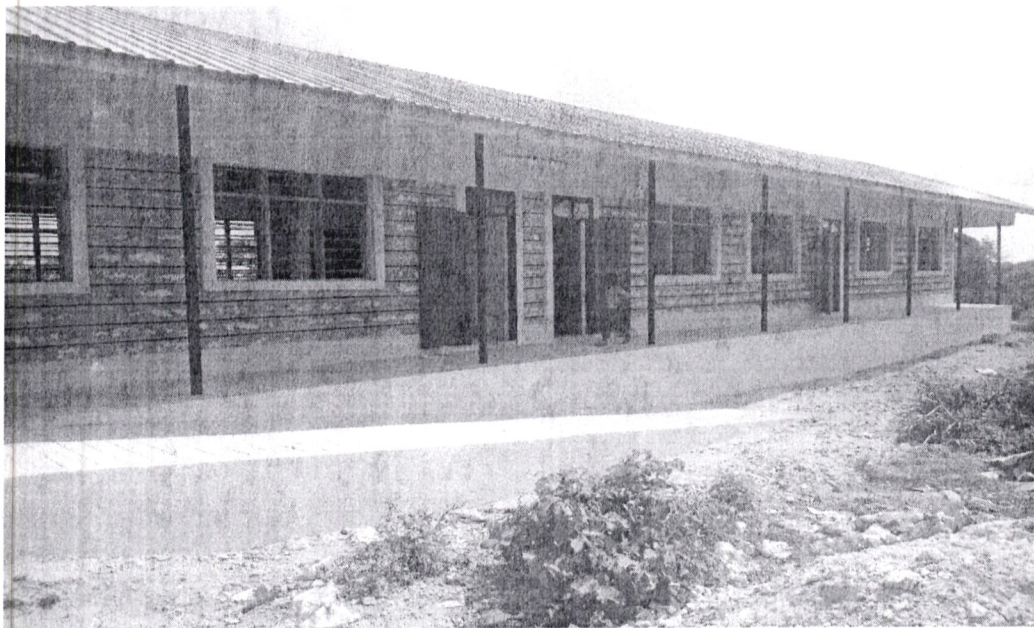
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
LIKONI CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

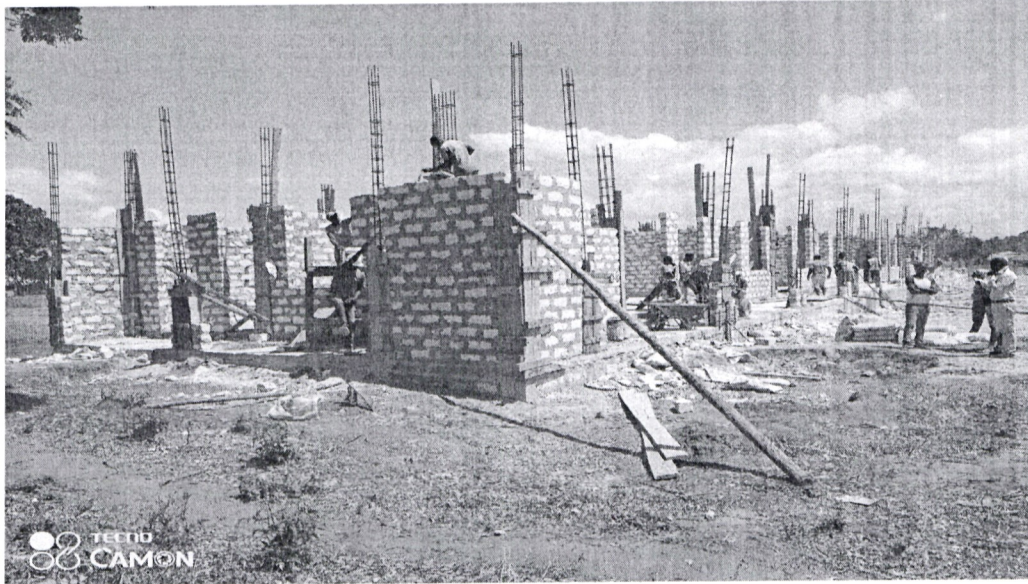
**3) MISHI MBOKO GIRLS SECONDARY SCHOOL, 11 NO DOOR TOILET BLOCK**



**4). MISHI MBOKO PRIMARY SCHOOL , 4NO CLASSROOMS**



**5). TIMBWANI SECONDARY SCHOOL, 6NO CLASSES, LAB AND ADMIN BLOCK**



Emerging Issues

Likoni Constituency is faced with insecurity challenges and as a result we received proposals which are recurrent in nature and cannot be implemented as a project under the current ngcdf act of 2015.

Implementation Challenges

The late disbursement of funds from the ngcdf board hinders implementation of projects within the financial year. This problem can be solved if funds are remitted in time.

Likoni constituency is faced with high unemployment rate among the youth, to address this pertinent issue, the ngcdfc committee through public participation have come up with interventions such as skills mtaani, driving school bursary award and building a resource centre that will be able to address these challenges.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**LIKONI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**Risk Management Integration & Mitigation Strategies In The Constituency Operation**

1. How risk management has been integrated in the constituency/department operations.
2. How risk mitigation strategies have been implemented

**OBJECTIVES OF RISK MANAGEMENT**

1. To develop and maintain a strong system of Corporate Governance and Internal Controls as the basis for a robust and secure operating environment
2. To minimize direct and indirect losses suffered by the Fund
3. To assist in ensuring that all applicable external laws and regulations are complied with
4. To assist in ensuring all internal policies, procedures, standards and control are complied with
5. To provide a greater level of transparency into the operations of the fund
6. To enable the Fund follow best practice in Risk Management
7. To establish the current level of risk within the constituency/department
8. To enable the constituency/ department detect any forthcoming risks and take the necessary action.

*Sign* Abdalla SHUHUDIA ABDALLA

**CHAIRMAN NGCDF COMMITTEE**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
LIKONI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

---

**III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES**

**Introduction**

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of NGCDF-Likoni Constituency's *2018-2022* plan are to:

- a) To increase the current number of primary & secondary schools to 10% by 2023
- b) To enhance performance in primary from 251-280 marks and secondary 3.2-6.0 mean grade by 2023
- c) To improve the current security infrastructures by 50% by 2023
- d) To improve the current sports & creative art kits by 50% by 2023
- e) To improve the current environmental conservation by 50% by 2023
- f) To create new structures for governance & HR issues by 2023

**Progress on attainment of Strategic development objectives**

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**LIKONI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To increase the current number of primary & secondary schools to 10% by 2023	Increased in number of new schools in the Constituency. enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure built in primary, secondary, and tertiary institutions	The Ngcdf Likoni managed to build two new schools which are operational. A new school is being constructed in fy 2019-2020 at Timbwani ward Several renovations of primary school have been implemented too. In addition perimeter walls have been built to completion.
Security	g) To improve the current security infrastructures to 50% by 2023	Increased in security Infrastructure	-Number of chief offices built,number of police station built,Number of perimeter wall built	The Ngcdf Likoni has managed to build a new chiefs office at Timbwani ward.Likoni police station has been equipped with office furniture.A new Police station is underway at Timbwani ward.Perimter walls have been built in different offices
Environment	h) To improve the current environmental conservation to 50% by 2022	Increased in seedlings being planted,improved sanitation	Number of seedlings planted in schools,Number of toilets built in schools,Number of boreholes drilled	The Ngcdf managed to plant 3000 seedlings in fifteen public schools.In addition new toilets have been built in schools.One borehole has been drilled& equipped at Mishimboko Girls.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
LIKONI CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

Sports	To improve the current sports & creative art kits to 50% by 2022	Increased support for different teams	Number of sports kits and equipment for various sporting activities	A total of 50 soccer teams were supplied with sports uniform and Balls, Taikondo team was supplied with 100marts. Trophies were given to winning teams
--------	--	---------------------------------------	---	--

**IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

NGCDF – Likoni Constituency exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely; Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

**1. Sustainability strategy and profile -**

The aspiration of the people of Likoni constituency as captured in this strategic plan forms the basis and justification for its implementation. This Strategic Plan focuses on providing Likoni Constituency with a roadmap towards the delivery of quality services. The plan was prepared through a participatory approach that ensured consultations and involvement of the people of Likoni, their leaders and external stakeholders at all stages. It has set out its vision, mission, core values, goals and strategic objectives as well as strategies. The implementation of the plan will ensure Sustainable development and social economic transformation in Likoni constituency. The plan provides a review of past performance, a situation status analysis and further identifies strategic gaps to be filled by the implementation of this strategic plan.

**2. Environmental performance**

Uncontrolled environmental degradation and effects of climate change negatively impact on the socio-economic development of the constituency. Major contributors to environmental degradation are human activity. These activities include deforestation through illegal logging, charcoal burning, forest clearing for agricultural activities, overstocking and subsequent overgrazing, illegal quarrying, poor sanitation in schools and water pollution through waste disposal. The depletion of mangrove forest reduces reproduction of marine life, deforestation and overgrazing leads to desertification and reduce rainfall and water sources, water pollution leads to water borne diseases while climate change has increased the frequency of high tide flooding.

Likoni Constituency depends heavily on wood fuel for domestic use. Forest resources contribute heavily towards household budget through the burn and sell of charcoal. Widespread poverty, unemployment and climate change are the major driving forces to environmental degradation in the constituency.

**3. Employee welfare**

The NGCDFC ensures recruitment of competent staff is done in compliance with the Employment Act and other laws governing recruitment of employees. The Constituency has 10 staff: 6 Male and 4 Female, the all cover the 5 Wards within the Constituency.

We have continuously improved the capacity of our staff by ensuring we recruited skilled employees, continuous coaching and mentoring, participation in various conferences including NGCDF trainings, on-the-job training by delegation of duties and job rotation of staff regardless of the roles and duties as prescribed in their job descriptions.

**4. Market place practices-**

After the development of the strategic plan, the NGCDFC has become more visible and competitive within the communities in the Constituency. In terms of management of resources, we have noted reduced operation cost and all the complaints from the community, both past and present, have either been resolved fully or it's been handled amicably by the management. We have built very strong internal control systems which have reduced wastage and corruption in the constituency.



***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)***  
***LIKONI CONSTITUENCY***  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

---

Our Management best practices involve:

- a) There's a clear communication of our vision, mission and strategy;
- b) The Committee and staff have shown exemplary leadership by example;
- c) Through the SP 2017-2022, we have set demanding but realistic targets;
- d) The Fund Account Manager has ensured an open and communicative management style;
- e) Our Objectives as defined in our strategic plan are SMART.

**5. Community Engagements-**

We are proud of the positive economic impact we have on our communities, from job creation to sustainable development projects, improvement of security and education sector. As NGCDF Likoni, we have a deep commitment in ensuring full support on community engagement especially in Social Corporate Responsibility, especially at this period where the world is facing a pandemic.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
LIKONI CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

**V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

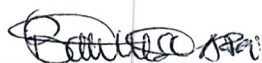
The Accounting Officer in charge of the NGCDF-LIKONI Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-LIKONI Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-LIKONI Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-LIKONI Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The NGCDF-LIKONI Constituency financial statements were approved and signed by the Accounting Officer on 9/21 2021.



**Fund Account Manager**

**Name:** Bawaxit Mohamed



**Sub-County Accountant**

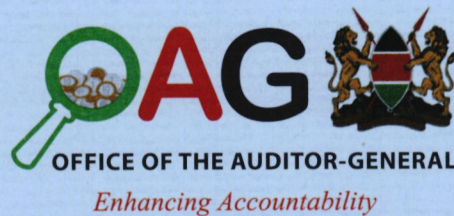
**Name:**

**ICPAK Member Number:**

JOEL MURITHI  
20667

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



HEADQUARTERS  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - LIKONI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

---

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Likoni Constituency set out on pages 18 to 52, which comprise of the statement of assets and liabilities as at 30 June, 2020, statement of receipts and payments, statement of cash flows and the summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Likoni Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act 2012 and the National Government Constituencies Development Fund Act, 2015.

#### Basis for Qualified Opinion

##### 1.0 Undisclosed Asset in Summary of Fixed Assets Register

Annex 4 to the financial statements reflects Kshs.21,505,986 in respect to summary of fixed assets register balance as at 30 June, 2020. However, the detailed fixed assets register provided for audit included Kshs.3,957,085 in respect to land acquired on 14 June, 2014. However, the land asset was not disclosed in the summary of fixed assets and ownership documents and valuation to confirm the value indicated in the detailed fixed assets register were not provided for audit review.

Further, audit review of the detailed fixed assets register revealed assets with historical cost of Kshs.4,208,398 which were not in use by the Fund as detailed below:

Asset Name	Asset Number	Purchase Date	Cost (Kshs.)
Steel filling cabinet 4 drawer	NG-CDFLKN/05/F0020	21.12.2005	40,000
Orient wall fan	NG-CDF LKN/05/E0041	25.05.2005	8,000
Orient wall fan	NG-CDF LKN/05/E0042	25.05.2005	8,000
Sony TV 24" inch	NG-CDF/LKN/05/M002	20.05.2014	80,000
DSC Sony digital camera	NG-CDF/LKN/05/M001	20.05.2014	40,000
Red velvet woolen carpet	NG-CDF/LKN/05/M9	20.05.2014	40,000
Executive curtains	NG-CDF/LKN/05/F00100	20.05.2014	9,000
Steel cabinet with glass at boardroom	NG-CDF/LKN/05/F0039	20.08.2014	20,000
Steel cabinet with glass at boardroom	NG-CDF/LKN/05/F0040	20.08.2014	20,000
Vacuum cleaner	NG-CDF/LKN/05/E0016	20.06.2015	20,410
Paper Shredder	NG-CDF/LKN/05/E0015	25.05.2016	20,105
Generator	NG-CDF/LKN/E0019	25.05.2016	120,000
Scanner jet P550	NG-CDF/LKN/05/M0033	20.10.2016	20,000
29 Seater Nissan diesel bus of 4167cc	GKA 111T	12.02.2009	3,762,883
	<b>Total</b>		<b>4,208,398</b>

The assets were, therefore, idle and depreciating with no benefits being accrued to the residents of Likoni Constituency.

Under the circumstance, the accuracy and completeness fixed assets with a historic cost of Kshs.21,505,986 as at 30 June, 2020 could not be confirmed.

## 2.0 Unconfirmed Projects Management Committee Bank Balances

Annex 5 to the financial statements reflects thirty (30) projects management committee bank accounts with a total balance of Kshs.15,711,146 as at 30 June, 2020. Audit review of the bank balances and the projects status as at 30 June, 2020 revealed the following unsatisfactory matters:

- i. Sixteen (16) projects management committee bank accounts with a total balance of Kshs.112,072 were in respect to completed projects as at 30 June, 2020. However, the unutilized funds had not been returned to the National Government Constituencies Development Fund - Likoni Constituency's bank account, contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 which states that 'all unutilized funds of the project management committee shall be returned to the constituency account'.
- ii. Fourteen (14) projects management committee bank accounts with a total balance of Kshs.2,488,761 were in respect of retentions as at 30 June, 2020. However, the Fund Management did not provide a retentions ledger for audit review to support the balances.

- iii. Ten (10) projects management committee bank accounts with a total balance of Kshs.13,110,311 were in respect to ongoing projects as at 30 June, 2020. However, the projects implementation status report provided for audit only disclosed four (4) ongoing projects with total disbursement of Kshs.514,751, resulting to a variance of Kshs.12,595,560 which has not been explained nor reconciled

Under the circumstances, the accuracy and completeness of projects management bank accounts balance of Kshs.15,711,146 as at 30 June, 2020 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Likoni Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

### **Other Matter**

#### **Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.195,029,927 and Kshs.125,162,203 respectively resulting to an under-funding of Kshs.69,867,724 or 35.8% of the budget. Similarly, the Fund expended Kshs.120,370,848 against an approved budget of Kshs.195,029,927 resulting to an under-expenditure of Kshs.74,659,079 or 38.3% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Likoni Constituency.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1.0 Overpayment of Committee Allowances**

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects Kshs.6,969,953 in respect to use of goods and services which included Kshs.3,733,000 in respect of committee allowance. However, records provided for audit review indicated that the National Government Constituencies Development Fund (NGCDF) committee and sub-committees held a total of twenty-nine (29) meetings during the financial year under review. This is contrary to Section 43 (11) of the National Government Constituencies Development Fund Act, 2015 which provides that the Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings. This resulted in payment of committee allowance amounting to Kshs.205,000 which were not justified nor explained.

Consequently, the Fund Management is in breach of the law and the propriety and lawfulness of the Kshs.205,000 in respect to committee allowance for the year ended 30 June, 2020 could not be confirmed.

### **2.0 Unconfirmed Emergency Projects Expenditure**

As disclosed under Note 7 to the financial statements, the statement of receipts and payments reflects Kshs.52,483,397 in respect to other grants and other payments which included Kshs.7,495,284 in respect to emergency projects expenditure which further includes Kshs.1,380,370 transferred to Mishi Mboko Primary School PMC account for the completion of an eight-door toilet. However, the same project had been budgeted for during 2017/2018 financial year but Management did not provide details of how the funds were to be utilized.

Further, the emergency projects expenditure includes Kshs.340,000 transferred to Timwabani Chief's Office Project Management Committee (PMC) for the construction of a three-door toilet. However, evidence of requisition for the project from the PMC, Timwabani Chief or the residents of the Constituency was not provided for audit review.

In addition, the Fund Management did not provide evidence that these projects funded to the tune of Kshs.1,720,370 from emergency projects budget qualified as per Section 8 (3) of the National Constituency Development Act, 2015 which defines emergency as, 'an urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents'.

Consequently, the propriety, validity and lawfulness of emergency projects expenditure of Kshs.1,720,370 for the year ended 30 June, 2020 could not be confirmed.

### **3.0 Construction of New Schools – Mishi Mboko Primary and Secondary Schools**

The statement of receipts and payments for the year ended 30 June, 2020 reflects transfers to other Government Units of Kshs.55,002,001, out of which Kshs.10,995,311

was transferred to Mishi Mboko Primary and Secondary Schools. Records provided for audit review indicated that the projects were identified through public participation. However, as previously reported, the Fund Management did not avail ownership documents for the land on which the schools were being built. This is contrary to Section 25(3) of the National Government Constituencies Development Fund Act, 2015 which provides that 'Funds provided under this Act shall not be used for the purpose of supporting political bodies or political activities or for supporting religious bodies or religious activities'. Further, Section 22 of the Act, provides that 'all projects to be financed by the Constituencies Development Fund should be community-based in order to ensure that the prospective benefits are availed to a widespread cross-section of the inhabitants of a particular area'.

Consequently, the National Government Constituency Development Fund - Likoni Constituency is in breach of the Law.

#### 4.0 Delay in Implementation of Funded and Utilization of Completed Projects

The Fund's projects implementation status report as at 30 June, 2020 availed for audit review showed cumulative disbursements of Kshs.29,937,346 for seventeen (17) projects, out of the budgeted expenditure of Kshs.83,716,033. Audit review of the projects implementation status revealed that the projects were at various stages of completion as detailed below:

Project Status	Count	Budgeted Cost (Kshs)	Disbursement (Kshs)
Complete and in use	8	16,819,639	16,819,639
Complete but not in use	4	12,602,956	12,602,956
On-going	4	53,286,438	514,751
Not Started	1	1,000,000	0
<b>Total</b>	<b>17</b>	<b>83,716,033</b>	<b>29,937,346</b>

From the foregoing, delayed disbursement of funds resulted in non-implementation of five (5) projects with an approved budget of Kshs.54,286,438.

Failure to implement projects as planned may have negatively impacted on realization of the objectives for which the funds were appropriated.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.



## **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the Fund's financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the Fund's financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**08 February, 2022**


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
LIKONI CONSTITUENCY**


**Reports and Financial Statements  
For the year ended June 30, 2020**

**VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF board	1	70,180,818	119,839,368
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>70,180,818</b>	<b>119,839,368</b>
<b>PAYMENTS</b>			
Compensation of employees	4	3,792,119	3,718,606
Use of goods and services	5	6,969,953	7,637,050
Transfers to Other Government Units	6	55,002,001	47,642,303
Other grants and transfers	7	52,483,397	45,355,395
Acquisition of Assets	8	2,123,378	1,076,218
Other Payments	9	-	3,849,495
<b>TOTAL PAYMENTS</b>		<b>120,370,848</b>	<b>109,279,067</b>
<b>SURPLUS/(DEFICIT)</b>		<b>(50,190,030)</b>	<b>10,560,301</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-LIKONI Constituency financial statements were approved on 4/2/ 2021 and signed by:

  
Fund Account Manager  
Name: Abdullah M Shamed

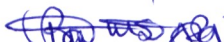
  
National Sub-County Accountant  
Name: JOSE MURITHI  
ICPAK Member Number: 20667


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**LIKONI CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30<sup>TH</sup> JUNE 2020**

	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	4,791,355	54,981,385
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>4,791,355</b>	<b>54,981,385</b>
Accounts Receivable			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>4,791,355</b>	<b>54,981,385</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable			
Retention	12A	-	-
Deposits (Gratuity)	12B	-	-
<b>TOTAL FINANCIAL LIABILITES</b>		<b>-</b>	<b>-</b>
<b>NET FINANCIAL ASSETS</b>		<b>4,791,355</b>	<b>54,981,385</b>
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd</b>	<b>13</b>	54,981,385	44,421,084
Prior year adjustments	14	-	-
Surplus/Deficit for the year		(50,190,030)	10,560,301
<b>NET FINANCIAL POSITION</b>		<b>4,791,355</b>	<b>54,981,385</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-LIKONI Constituency financial statements were approved on 4/2/2021 and signed by:

  
**Fund Account Manager**  
**Name: Banarist Mohamed**

  
**National Sub-County Accountant**  
**Name: JOEL MURITHI**  
**ICPAK Member Number: 20667**

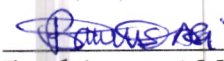
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
LIKONI CONSTITUENCY**


**Reports and Financial Statements  
For the year ended June 30, 2020**

**IX. STATEMENT OF CASHFLOW FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2020**

		2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	70,180,818	119,839,368
Other Receipts	3	-	-
<b>Total receipts</b>		<b>70,180,818</b>	<b>119,839,368</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	3,792,119	3,718,606
Use of goods and services	5	6,969,953	7,637,050
Transfers to Other Government Units	6	55,002,001	47,642,303
Other grants and transfers	7	52,483,397	45,355,395
Other Payments	9	-	3,849,495
<b>Total payments</b>		<b>118,247,470</b>	<b>108,202,849</b>
<b>Total Receipts Less Total Payments</b>		<b>(48,066,652)</b>	<b>11,636,519</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
<b>Net cash flow from operating activities</b>		<b>(48,066,652)</b>	<b>11,636,519</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(2,123,378)	(1,076,218)
<b>Net cash flows from Investing Activities</b>		<b>(2,123,378)</b>	<b>(1,076,218)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(50,190,030)</b>	<b>10,560,301</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>13</b>	<b>54,981,385</b>	<b>44,421,084</b>
<b>Cash and cash equivalent at END of the year</b>		<b>4,791,355</b>	<b>54,981,385</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-LIKONI Constituency financial statements were approved on 4/12/2021 and signed by:

  
Fund Account Manager  
Name: Lawwat Mohamed

  
National Sub-County Accountant  
Name: JOSE NUBIITHI  
ICPAK Member Number: 20667

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LIKONI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from NG-CDF Board	137,367,724	57,662,203	195,029,927	125,162,203	69,867,724	64.2%
Proceeds from Sale of Assets				-	-	0.0%
Other Receipts	-	-	-	-	-	0.0%
<b>TOTAL RECEIPTS</b>	<b>137,367,724</b>	<b>57,662,203</b>	<b>195,029,927</b>	<b>125,162,203</b>	<b>69,867,724</b>	<b>64.2%</b>
<b>PAYMENTS</b>						
Compensation of Employees	5,087,687	1,197,428	6,285,115	3,792,119	2,492,996	60.3%
Use of goods and services	7,275,408	1,720,521	8,995,929	6,969,953	2,025,976	77.5%
Transfers to Other Government Units	69,461,679	36,575,780	106,037,459	55,002,001	51,035,458	51.9%
Other grants and transfers	55,542,950	15,682,946	71,225,896	52,483,397	18,742,499	73.7%
Acquisition of Assets	-	2,477,253	2,477,253	2,123,378	353,875	85.7%
Other Payments	-	8,275	8,275	-	8,275	0.0%
<b>TOTAL</b>	<b>137,367,724</b>	<b>57,662,203</b>	<b>195,029,927</b>	<b>120,370,848</b>	<b>74,659,079</b>	<b>61.7%</b>

The general utilisation of funds was above average at 64.2%. The low number of projects implemented during the year is attributed to delayed disbursement of the funds from the NG-CDF Board as a result of Covid 19 pandemic. A huge chunk of Aie has not been received as at 30<sup>th</sup> June 2020.

Reports and Financial Statements  
For the year ended June 30, 2020

The changes between original and final budget was as a result of adjustments of Ksh 57,662,203 consisting of a cash book balance brought down as at 1<sup>st</sup> of July 2019, ksh2,180,818 being an amount received from previous year 2018-2019 and ksh500,000 not received from the Board

The NGCDF-LIKONI Constituency financial statements were approved on 24/8/2021 and signed by:



Fund Account Manager

Name: Benjamin M. Mwangi



Sub-County Accountant

Name:

ICPAK Member Number:

JOEL NJIRI  
20667

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LIKONI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

Programme/ Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>					
1.1 Compensation of employees	5,087,688	1,197,428	6,285,116	3,792,119	2,492,997
1.2 Committee allowances	1,600,000	553,147	2,153,147	2,088,546	64,601
1.3 Use of goods and services	1,554,376	888,145	2,442,521	2,442,521	-
<b>SUB TOTAL</b>	<b>8,242,064</b>	<b>2,628,721</b>	<b>10,870,785</b>	<b>8,323,186</b>	<b>2,547,599</b>
<b>2.0 Monitoring and evaluation</b>					
2.1 Capacity building	1,800,000	100,000	1,900,000		1,900,000
2.2 Committee allowances	2,000,000	189,228	2,189,228	2,117,854	71,374
2.3 Use of goods and services	321,032	-	321,032	321,032	
<b>SUB TOTAL</b>	<b>4,121,032</b>	<b>289,228</b>	<b>4,410,260</b>	<b>2,438,886</b>	<b>1,971,374</b>
<b>3.0 EMERGENCY</b>					
3.1 Primary Schools	6,848,241	774,945	7,623,186	7,155,284	467,902
Mishimboko Girls Toilet	-	319,182	319,182	319,182	0
3.3 Tertiary institutions					
3.4 Security projects	350,000		350,000	340,000	10,000
<b>SUB TOTAL</b>	<b>7,198,241</b>	<b>1,094,127</b>	<b>8,292,368</b>	<b>7,814,466</b>	<b>477,902</b>



Reports and Financial Statements  
For the year ended June 30, 2020

<b>4.0 Bursary and Social Security</b>						
4.1 Primary Schools	-					
4.2 Secondary Schools	22,350,000			22,350,000	24,500,000	-2,150,000
4.3 Tertiary Institutions/Universities	12,000,000	6,027,183		18,027,183	12,889,000	5,138,183
4.4 Social Security(NHIF)	2,000,000	2,000,000		4,000,000	1,902,000	2,098,000
<b>SUB TOTAL</b>	<b>36,350,000</b>	<b>8,027,183</b>		<b>44,377,183</b>	<b>39,291,000</b>	<b>5,086,183</b>
<b>5.0 Sports</b>						
<b>SUBTOTAL</b>	<b>2,747,354</b>	<b>2,180,818</b>		<b>4,928,172</b>	<b>2,180,818</b>	<b>2,747,354</b>
<b>6.0 Environment</b>						
6.1SA LIKONI SEC. SCHOOL FOR VI	2,747,355			2,747,355	2,747,355	-
<b>SUB TOTAL</b>	<b>2,747,355</b>			<b>2,747,355</b>	<b>2,747,355</b>	<b>0</b>
<b>7.0 Primary Schools Projects</b>						
<b>(List all the Projects)</b>						
7.1Mishimboko Primary School-Admin	2,245,311	1,500,000		3,745,311	3,745,311	-
7.2Mrima Primary School	1,209,598	6,000,000		7,209,598	7,209,598	-
7.3 Maji Safi Primary School	10,321,679			10,321,679	104,450	10,217,229
7.4Likoni Muslim Primary	3,500,000			3,500,000	3,500,000	-
7.5Mtongwe Primary School	500,000			500,000	500,000	-
7.6Mishimboko Primary School-classrooms		6,000,000		6,000,000	6,000,000	-
7.7Mishimboko Primary Toilet		1,250,000		1,250,000	1,250,000	-
7.8Likoni Primary School		125,780		125,780		125,780

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LIKONI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

7.9 Mishimboko Primary School		500,000	500,000	-	500,000
<b>SUB TOTAL</b>	<b>17,776,588</b>	<b>15,375,780</b>	<b>33,152,368</b>	<b>22,309,359</b>	<b>10,843,009</b>
<b>8.0 Secondary Schools Projects (List all the Projects)</b>					
8.1 Mishimboko Girls –ADMIN	4,748,588	8,000,000	12,748,588	9,900,000	2,848,588
8.2 Mishimboko Girls-Dormitory	3,855,602	9,000,000	12,855,602	8,900,000	3,955,602
8.3 Puma Secondary School	1,716,142	4,000,000	5,716,142	5,616,142	100,000
8.4 Timbwani Secondary School	28,364,759		28,364,759	106,250	28,258,509
8.5 Mishimboko Girls-Lab	6,500,000		6,500,000	65,250	6,434,750
8.6 Likoni Secondary School	1,000,000		1,000,000		1,000,000
Mishimboko girls Toilet					0
8.7 Mtongwe Girls Sec School	3,500,000	2,180,818	2,180,818	2,180,818.00	-3,000
8.8 DEO'S OFFICE		200,000	200,000	200,000	-
<b>SUB TOTAL</b>	<b>49,685,091</b>	<b>23,380,818</b>	<b>73,065,909</b>	<b>30,471,460</b>	<b>42,594,449</b>
<b>10.0 Security Projects</b>					
10.1 Timbwani Chiefs Office		2,200,000	2,200,000	2,173,000	27,000
10.2 Timbwani Police Station	8,100,000		8,100,000	97,940	8,002,060
10.3 Longo Chief's Office	400,000		400,000	400,000	-
<b>SUB TOTAL</b>	<b>8,500,000</b>	<b>2,200,000</b>	<b>10,700,000</b>	<b>2,670,940</b>	<b>8,029,060</b>
<b>11.0 Acquisition of assets</b>					
11.1 Refurbishment of Ngcdf Office		2,477,253	2,477,253	2,123,378	353,875
<b>SUB TOTAL</b>		<b>2,477,253</b>	<b>2,477,253</b>	<b>2,123,378</b>	<b>353,875</b>

Reports and Financial Statements  
For the year ended June 30, 2020

<b>12.0 Others</b>					
12.1 Strategic Plan		8,275	8,275	8,275	8,275
<b>SUB TOTAL</b>		8,275	8,275	8,275	8,275
<b>Grand Totals</b>	<b>137,367,724</b>	<b>57,662,203</b>	<b>195,029,927</b>	<b>120,370,848</b>	<b>74,659,079</b>

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
LIKONI CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

---

**XI. SIGNIFICANT ACCOUNTING POLICIES**

The principle accounting policies adopted in the preparation of these financial statements are set out below:

**1. Statement of compliance and Basis of preparation**

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

**2. Reporting Entity**

The financial statements are for the NGCDF-LIKONI Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

**3. Reporting Currency**

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

**4. Significant Accounting Policies**

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

**a) Recognition of Receipts**

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

**Tax Receipts**

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

**Transfers from the Exchequer**

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

## **SIGNIFICANT ACCOUNTING POLICIES**

### **External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

### **Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

## **b) Recognition of payments**

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.

### **Compensation of Employees**

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

### **Use of Goods and Services**

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

### **Acquisition of Fixed Assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
LIKONI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

---

**SIGNIFICANT ACCOUNTING POLICIES**

**5. In-kind contributions**

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

**6. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

**7. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**8. Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

**9. Pending Bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

**10. Unutilized Fund**

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(2) of NGCDF Act, 2015.

**SIGNIFICANT ACCOUNTING POLICIES**

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

**12. Comparative Figures**

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2020.

**14. Errors**

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

**15. Related Party Transactions**

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
LIKONI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

**XII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

<b>Description</b>		<b>2019 - 2020</b>	<b>2018 - 2019</b>
		<b>Kshs</b>	<b>Kshs</b>
	AIE NO. B 005108		10,879,310
Normal Allocation	AIE NO. B 030184		2,100,000
	AIE NO. B 030428		10,000,000
	AIE NO. B 006370		6,000,000
	AIE NO. B 042761		20,000,000
	AIE NO. B 047007		11,000,000
			7,000,000
			52,860,058
	A.I.E NO. B041106	4,000,000	
	A.I.E NO.B041312	20,000,000	
	A.I.E NO.B047731	7,000,000	
	A.I.E NO.B047956	9,000,000	
	A.I.E NO.B049354	19,000,000	
	A.I.E NO.B104377	9,000,000	
	A.I.E NO. B096786	2,180,818	
Receipt from other Constituency			
<b>TOTAL</b>		<b>70,180,818</b>	<b>119,839,368</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Receipts from the Sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from the Sale Plant Machinery and Equipment		
Receipts from the Sale of Office and General Equipment		
<b>TOTAL</b>		-



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
LIKONI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received		
Rents		
Sale of Tender Documents		
Other Receipts Not Classified Elsewhere (specify)		
<b>TOTAL</b>		-

**4. COMPENSATION OF EMPLOYEES**

4 COMPENSATION OF EMPLOYEES			
Description	2019 - 2020	2018 - 2019	
	Kshs	Kshs	
Basic wages of temporary employees	2,254,636	2,525,306	
Basic wages of casual labour	116,000	70,000	
Personal allowances paid as part of salary			
House allowance	596,000	676,500	
Transport allowance	464,000	410,000	
Leave allowance	20,000	10,000	
Other personnel payments			
Employer contribution to NSSF	23,200	26,800	
Gratuity-contractual employees	318,283		
<b>TOTAL</b>	<b>3,792,119</b>	<b>3,718,606</b>	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
LIKONI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

<b>5 USE OF GOODS AND SERVICES</b>		
<b>Description</b>	<b>2019 - 2020</b>	<b>2018 - 2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services		0
Electricity	158,522	29,345
Water & sewerage charges	123,290	116,438
Office rent		0
Communication, supplies and services	108,500	422,512
Domestic travel and subsistence	326,800	231,506
Printing, advertising and information supplies & services	830,226	500,209
Rentals of produced assets		
Training expenses		81,500
Hospitality supplies and services	529,310	410,820
Other committee expenses	473,400	657,000
Committee allowance	3,733,000	4,386,400
Insurance costs		
Specialised materials and services		
Office and general supplies and services	463,520	584,665
Fuel , oil & lubricants		37,900
Other operating expenses		71,975
Bank service commission and charges	30,748	0
Other Operating Expenses	42,037	
Routine maintenance - vehicles and other transport equipment		106,780
Routine maintenance- other assets	150,600	
<b>TOTAL</b>	<b>6,969,953</b>	<b>7,637,050</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
LIKONI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Transfers to Primary Schools	22,309,359	29,075,558
Transfers to Secondary Schools	30,590,642	18,566,745
Transfers to Tertiary Institutions		
Transfers to Health Institutions	1,902,000	
DEOS OFFICE	200,000	
<b>TOTAL</b>	<b>55,002,001</b>	<b>47,642,303</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
LIKONI CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**7. OTHER GRANTS AND OTHER PAYMENTS**

<b>Description</b>	<b>2019 - 2020</b>	<b>2018 - 2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary - Secondary	24,500,000	25,576,472
Bursary -Tertiary	12,889,000	322,000
Bursary- Special Schools	-	
Mocks & CAT	-	
Water	-	9,090,000
Food Security	-	
Electricity	-	
Security	2,670,940	
Roads and Bridges	-	-
Sports	2,180,818	54,670
Environment	2,747,355	1,000,000
Cultural Projects	-	-
Agriculture	-	-
<b>Emergency Projects</b>	<b>7,495,284</b>	<b>9,312,253</b>
<b>TOTAL</b>	<b>52,483,397</b>	<b>45,355,395</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
LIKONI CONSTITUENCY**

**Reports and Financial Statements  
For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8 ACQUISITION OF ASSETS**

<b>Non Financial Assets</b>	<b>2019 - 2020</b>	<b>2018 - 2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	2,123,378.00	340,218.00
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings		118,000
Purchase of computers ,printers and other IT equipments	-	582,000
Purchase of photocopier	-	-
Purchase of other office equipments	-	36,000
Purchase of soft ware	-	-
Acquisition of Land	-	-
<b>TOTAL</b>	<b>2,123,378</b>	<b>1,076,218</b>

**9.0 OTHER PAYMENTS**

<b>Description</b>	<b>2019 - 2020</b>	<b>2018 - 2019</b>
	<b>Kshs</b>	<b>Kshs</b>
ICT Hub	-	3,507,770
Strategic Plan		341,725.00
		-
<b>TOTAL</b>	<b>-</b>	<b>3,849,495</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
LIKONI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**10A: Bank Accounts (cash book bank balance)**

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Cooperative Bank of Kenya, A/C no.01120043565700</i>	4,791,355	54,981,385
<b>Total</b>	4,791,355	54,981,385
<b>10B: CASH IN HAND</b>		
Location 1	-	-
<b>Total</b>	-	-
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
LIKONI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**11: OUTSTANDING IMPRESTS**

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total</b>				<b>-</b>

*[Include an annex if the list is longer than 1 page.]*

**12A. RETENTION**

	<b>2019 - 2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Supplier 1	-	-
Supplier 2	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*[Provide short appropriate explanations as necessary]*

**12B. GRATUITY DEPOSITS**

	<b>2019 - 2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Name 1	-	-
Name 2	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*[Provide short appropriate explanations as necessary]*

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
LIKONI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

**13. BALANCES BROUGHT FORWARD**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	54,981,385	44,421,084
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>54,981,385</b>	<b>44,421,084</b>

*[Provide short appropriate explanations as necessary]*

**14. PRIOR YEAR ADJUSTMENTS**

	<b>Balance b/f FY 2018/2019 as per Financial statements</b>	<b>Adjustments</b>	<b>Adjusted Balance b/f FY 2018/2019</b>
<b>Description of the error</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others ( <i>specify</i> )	-	-	-
	-	-	-

**15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST**

<b>Description of the error</b>	<b>2019 - 2020</b>	<b>2018 – 2019</b>
	<b>KShs</b>	<b>KShs</b>
Outstanding Imprest as at 1 <sup>st</sup> July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

**16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS**

<b>Description of the error</b>	<b>2019 - 2020</b>	<b>2018 – 2019</b>
	<b>KShs</b>	<b>KShs</b>
Deposit and Retentions as at 1 <sup>st</sup> July 2019 (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –**

**LIKONI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**17. OTHER IMPORTANT DISCLOSURES**

**17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

**17.2: PENDING STAFF PAYABLES (See Annex 2)**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
NGCDFC Staff	-	-
Others ( <i>specify</i> )	-	-
	-	-

**17.3: UNUTILIZED FUND (See Annex 3)**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	2,492,997	1,197,428
Use of goods and services	2,025,976	1,825,518
Amounts due to other Government entities (see attached list)	53,535,458	35,575,780
Amounts due to other grants and other transfers (see attached list)	16,242,499	13,502,133
Acquisition of assets	353,875	2,372,250
Others ( <i>specify</i> )	8,275	508,275
	<b>74,659,079</b>	<b>54,981,384</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
LIKONI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**17.4: PMC account balances (See Annex 5)**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account Balances (see attached list)	15,711,146	16,363,980
	<b>15,711,146</b>	<b>16,363,980</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LIKONI CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
	a	b	c	d=a-c	
<b>Construction of buildings</b>					
1.					
2.					
3.					
<b>Sub-Total</b>					
<b>Construction of civil works</b>					
4.					
5.					
6.					
<b>Sub-Total</b>					
<b>Supply of goods</b>					
7.					
8.					
9.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
10.					
11.					
12.					
<b>Sub-Total</b>					
<b>Grand Total</b>					

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LIKONI CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
		a	b	c	d=a-c	
<b>Senior Management</b>						
1.						
2.						
3.						
	<b>Sub-Total</b>					
<b>Middle Management</b>						
4.						
5.						
6.						
	<b>Sub-Total</b>					
<b>Unionisable Employees</b>						
7.						
8.						
9.						
	<b>Sub-Total</b>					
<b>Others (specify)</b>						
10.						
11.						
12.						
	<b>Sub-Total</b>					
	<b>Grand Total</b>					



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – LIKONI CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2018/19</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) 2019/20</b>
Land	-	-	-	-
Buildings and structures	9,046,074	2,123,378		11,169,452
Transport equipment	6,807,383			6,807,383
Office equipment, furniture and fittings	2,218,151			2,218,151
ICT Equipment, Software and Other ICT Assets	870,000			870,000
Other Machinery and equipment	441,000			441,000
<b>Total</b>	<b>19,382,608</b>	<b>2,123,378</b>		<b>21,505,986</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
LIKONI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020**

MC	BANK	ACCOUNT NUMBERS	BANK BALANCES(KSH)	
			19/20	18/19
UBUBU SECONDARY SCHOOL	CO-OPERATIVE - LIKONI	1134397330200	21,035.20	21,515.25
ONSOLATA PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1129043950201	0.00	687.87
DCC	CO-OPERATIVE - LIKONI	1141627823300	41,039.00	233,129.00
INSPIRATIONS PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1134627050400	7,291.95	7,771.95
MAMVI LA WAGENI PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1129627675700	177,865.20	182,665.20
LIKONI ENVIRONMENTAL	CO-OPERATIVE - LIKONI	1134627281400	1,628.50	2,108.00
LIKONI OFFICE	CO-OPERATIVE - LIKONI	1134397352600	7,633.75	8,113.75
LIKONI POLICE STATION	CO-OPERATIVE - LIKONI	1134397444400	2,052.90	2,052.00
LIKONI PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1134397352500	473,498.60	524,308.60
LIKONI PRIMARY SCHOOL CLASSROOM	CO-OPERATIVE - LIKONI	1134627861500	1,037.30	396,652.00
LIKONI SCHOOL FOR THE BLIND	CO-OPERATIVE - LIKONI	1128396656002	1,271,675.00	1,444.00
LIKONI SEC SCHOOL	CO-OPERATIVE - LIKONI	1139396323602	174,550.74	178,630.74
LIKONI SPORTS	CO-OPERATIVE - LIKONI	1134396638300	2,408.50	1,358.00
LONGO CHIEF	CO-OPERATIVE - LIKONI	1141628303900	434,614.90	35,094.90
LONGO PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1129044176500	34,950.96	39,750.96
MAJI SAFI PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1139043657504	4,779.80	89,859.00
MISHI MBOKO GIRLS SECONDARY SCHOOL	CO-OPERATIVE - LIKONI	1141628434900	190,326.00	9,540,580.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
LIKONI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

MTONGWE GIRLS SECONDARY SCHOOL	CO-OPERATIVE - LIKONI	1139628267800	584,699.50	294,173.00
MTONGWE PRIMARY PMC	CO-OPERATIVE - LIKONI	1134627307500	3,017,272.50	67,752.50
MWAHIMA SEC. SCHOOL	CO-OPERATIVE- LIKONI	1139627619701	454,570.30	1,544,171.30
LIKONI MUSLIM PRI. SCHOOL	CO-OPERATIVE- LIKONI	1139628868200	460,196	-
MWANGALA PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1134397179700	222,325.25	634,445.00
MWEZA PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1134397352700	0.45	92,418.00
NEW MRIMA SEC SCHOOL - CDF PROJECT	CO-OPERATIVE - LIKONI	1134396914200	52,770.00	53,250.00
PELELEZA PRI.SCH-CDF PROJECT	CO-OPERATIVE - LIKONI	1134397155000	2,629.20	3,109.20
PUMA PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1139628239500	76,301.75	261,537.00
PUMA SEC SCHOOL CDF PROJECT	CO-OPERATIVE - LIKONI	1134396957700	69,992.80	4,144.20
SHIKAADABU CHIEFS OFFICE	CO-OPERATIVE - LIKONI	1134627785100	5,977.15	52,529.00
SHIKAADABU PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1139628309800	2,209.65	2,209.65
TIMBWANI POLICE POST	CO-OPERATIVE - LIKONI	1141628417200	1,956,325.00	1,956,325.00
VIJIWENI PRIMARY SCHOOL	CO-OPERATIVE - LIKONI	1134627876000	1,092,897.80	132,197.00
MISHI MBOKO GIRLS TOILET	CO-OPERATIVE - LIKONI	1141628434903	20,379.50	-
MISHI MBOKO PRI. CLASSROOMS	CO-OPERATIVE - LIKONI	1141628733200	482.50	-
MISHI MBOKO GIRLS HIGH DORMITORY	CO-OPERATIVE - LIKONI	1136001340300	14,720.50	-
MISHI MBOKO GIRLS ADMIN	CO-OPERATIVE - LIKONI	1141628434901	3,791,952.50	-
MISHI MBOKO PRI ADMIN	CO-OPERATIVE - LIKONI	1141628733202	158,176.10	-
MISHI MBOKO GIRLS BOREHOLE	CO-OPERATIVE - LIKONI	1141628434904	768,289.00	-
MRIMA PRI –PERIMETER WALL	CO-OPERATIVE - LIKONI	1141628441100	297,055.90	-



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
LIKONI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

IMBWANI CHIEF OFFICE	CO-OPERATIVE - LIKONI	1141628638900	80,149.50	-
MISHIMBOKO PRI.TOILET	CO-OPERATIVE - LIKONI	1141628733201	189,819.50	-
IKONI SUB-COUNTY DUCATION OFFICE	CO-OPERATIVE - LIKONI	1141628729800	135.00	-
<b>TOTAL</b>			<b>15,711,146</b>	<b>16,363,980.07</b>

**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

<b>Referen ce No. on the externa l audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue (Name and designation)</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timefr ame: (Put a date when you expect the issue to be resolv ed)</b>
Report of the Auditor Genera l on F/S of NGCDF Likoni Constit uency	During the period under review the fund paid kshs 1,095,000 to Syovata enterprises for supply of furniture to the Dcc and five chief's offices. However, no minutes by the constituency committee to approve the payment were availed for audit review. Further, it was noted that the delivery notes attached amounted to kshs 815,000 resulting to a variance of kshs 280,000 worth of furniture not	The Management asserts that items worth ksh 280,000 were delivered to the DCC who confirmed in writing the receipt of the items as requested. Copies of delivery notes and photos were presented for verification.	Bawazir Mohd Fund Account Manager.	Resolved	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
 LIKONI CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2020**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe (Provide date when you expect the issue to be resolved)
	<p>delivered.</p> <p><b>Recommendation</b></p> <p>Provide evidence of delivery for the furniture amounting to Kshs 280,000.00</p> <p>Explain why payment was paid without the CDFC Approval.</p>				
	<p><b>Mtongwe Primary School</b></p> <p>Kshs 1,200,000 was disbursed for purchase of equipments for the resource centre. However the following matters have not been explained:</p> <ul style="list-style-type: none"> <li>• There is no evidence that the call for quotations was made public</li> <li>• It is not clear how the quotations forms were</li> </ul>				

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
 LIKONI CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2020**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>dispatched and received back as the forms had no date: when they were issued, returned and where, date of opening.</p> <ul style="list-style-type: none"> <li>• here was no opening and evaluation minutes</li> <li>• bidders did not specify what they had bid for especially items like computers, printers, Tv on which basis they quoted their prices</li> <li>• here was no formal purchase order specifying the goods to be supplied and conditions for the same.</li> </ul>				

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
 LIKONI CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2020**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe (Provide date when you expect the issue to be resolved)
	<ul style="list-style-type: none"> <li>• delivery notes did not specify the brand of these items</li> <li>• the school principal was not available during the time of verification and has not been able to provide documents which may clarify some of the above issues.</li> </ul> <p><b>Recommendations</b>                      Provide details of how the suppliers were invited to quote for the supply, dates quotations were sent and received back, evidence of evaluations, evidence of LPO issued to supplier, and details of the items which the supplier quoted and supplied.                      Facilitate verifications of the items supplied for</p>				

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
LIKONI CONSTITUENCY  
Reports and Financial Statements  
For the year ended June 30, 2020**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	existence, status, custody and if they are in use				
		<p><b>Responses</b></p> <ul style="list-style-type: none"> <li>➤ The Quotation was made public because the advert was placed or pinned at DCC'S Likoni Notice Board, all chief's offices and the DEO'S Office Likoni.</li> <li>➤ The quotations were collected from Head teacher's office by the suppliers who were interested and returned the documents as per the Advert.</li> <li>➤ See quotation Opening Minutes and Evaluation Report in Annex</li> <li>➤ The Official Order in Primary Schools is the letter of the Head teacher from that</li> </ul>			

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
 LIKONI CONSTITUENCY  
 Reports and Financial Statements  
 For the year ended June 30, 2020**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe (Period) date when you expect the issue to be resolved)
		School.			
			Head Teacher & FAM	The issue was resolved	